

September 2009 - No. 170

FR*ui*TROP

English version

**CLOSE-UP:
AVOCADO**

**French banana market
Shrinking? Non!**

**European apples & pears
Prospects for 2009**

<http://passionfruit.cirad.fr>



Indicators

The main fruits	In shares by total volume and expenditure on fruits for the month in France		
	%	Volumes	Expenditure
	Peach/Nectarine	20	19
	Apple	18	13
	Apricot	10	12

Pages

The trends for the main produce of the month significantly influence the overall situation of the fruit market. A column entitled 'Indicators' discussing these fruits precedes the pages devoted to a selection of exotic and citrus fruits.

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JUNE 2009

Peach/ Nectarine	The market was less difficult than might have been expected, given the very large European production. Harvest yields in Catalonia and Roussillon, which account for a large proportion of market supply at this time of year, were smaller than expected. Sales were therefore fairly fluid. Nevertheless, prices remained lower than average because of the very low level reached at the end of May.	June 09 / June 08			
		Price	= ↘	Vol.	= ↗
Apple	The situation remained very difficult even though shipments from the southern hemisphere were distinctly smaller than average. However, European stocks were 20 to 30% larger than average and weighed on the market. Prices remained at their lowest.	June 09 / June 08			
		Price	↘	Vol.	↗
Apricot	As for peaches and nectarines, the crop was smaller than expected for early varieties. Supply was therefore larger than the very low level of 2008 but was only average. However, prices were comparatively low, in particular as a result of problems of quality in a significant proportion of production.	June 09 / June 08			
		Price	↗	Vol.	= ↘
Sea freight	The juxtaposition in the performance of the reefer charter market between the first six months of 2008 and the corresponding period in 2009 could hardly be more dramatic. At 49c/cbft the TCE average for H1 2009 is the lowest in living memory and less than half the record 100c/cbft achieved 12 months ago. The average yield to owners will be even lower as this TCE figure does not take lay-by into account.	June 09 / June 08			
		large reefers	↘	small reefers	↘

Notes concerning market appraisal methodology

The statistics on the following pages are estimates of quantities put on the market in France. They are only calculated for the main supplier countries and are drawn up using information on weekly arrivals or market release statements by representative operators. The figures in the 'Main fruits' section above are provided by the CTIFL, with SECODIP being the source. The data published in the French market pages are provided solely as a guide and CIRAD accepts no responsibility for their accuracy



Avocado

JUNE 2009

The market has probably never been as difficult as in June 2009. Supplies of 'Hass' were plethoric and the weekly arrivals in the EU exceeded a million boxes for most of the month. Shipments from South Africa were slightly larger than usual. However, the main feature was that arrivals from Peru continued to peak at an extremely high level. In addition, demand was comparatively sluggish probably as a result of very strong competition from the season's fruits such as melon on certain markets like France. The downward spiral that started in May thus continued and prices bottomed at an all-time low of less than EUR4.00 per box at the end of the month!

The market for green varieties was not as affected as much as might be imagined by this disastrous situation. Supply was very limited as the Peruvian season was almost over, volumes from Kenya were small and those from South Africa were 20 to 25% smaller than average. 'Fuerte' generally sold at higher prices than 'Hass' on the markets in the north of the EU.

Monthly and annual comparisons

Volumes

Price

June 2009 / May 2009

↗ + 12%

↘ - 36%

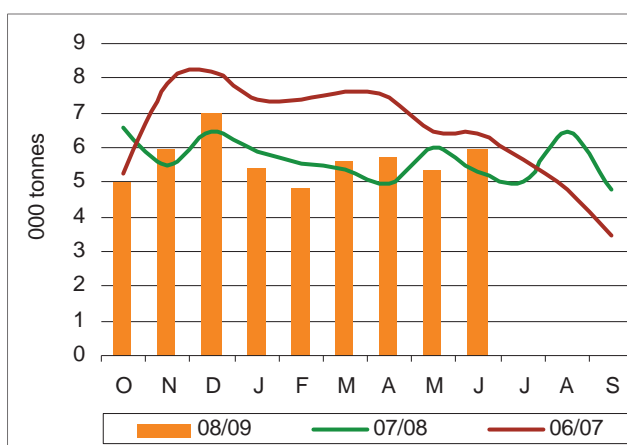
June 2009 / June 2008

↗ + 13%

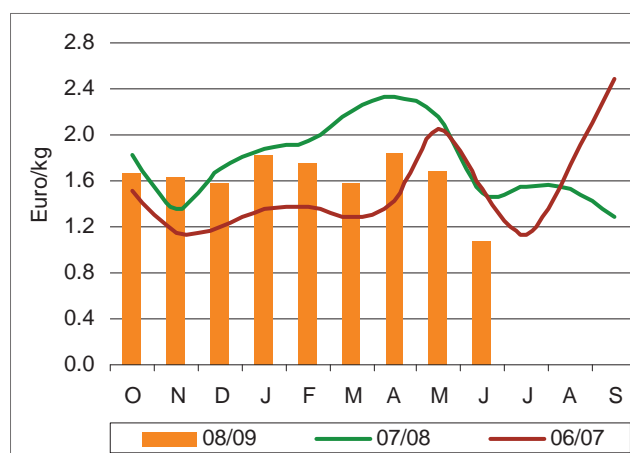
↘ - 28%

Estimated market releases in France

Volumes

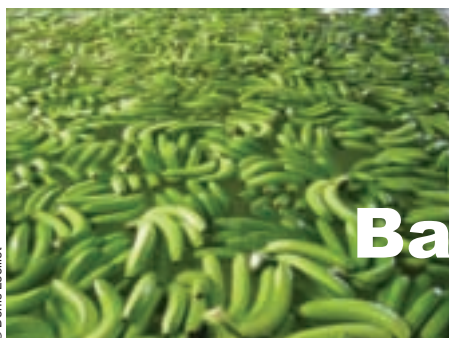


Price at import stage



Estimated market releases in France by origin

Tonnes	June 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Peru	3 449	+ 19	+ 28	8 261	+ 40	+ 134
Kenya	506	+ 132	- 12	2 993	+ 29	- 4
South Africa	2 009	+ 7	+ 5	5 049	+ 10	+ 54
Total	5 964	+ 13	- 7	16 303	+ 27	+ 11



© Denis Loelliet

Banana

JUNE 2009

The market did not escape its usual seasonal worsening. Consumption from Spain to Italy was slowed by hotter weather than usual and by fairly marked competition from the season's fruits: French harvests of peaches/nectarines and especially apricots were larger than in 2008. Prices plummeted in Spain, going well below average, in spite of a slight deficit in supplies of Canary Island bananas. Supplies were average in France. A deficit in supplies from the French West Indies was compensated by fairly substantial African deliveries, especially from Cameroon. In spite of a very marked decrease, prices remained higher than the average.

Slowing of demand was less marked in northern and especially eastern Europe as local production of spring fruits was fairly small this season. However, the major deficit in dollar banana supplies seen in May decreased distinctly. Arrivals from Costa Rica remained smaller than usual but recovered thanks to market allocation that was very favourable to the EU at the expense of the USA. In addition, the strike in Colombia ceased to have an effect and volumes returned to levels that were higher than the average. Supplies from Ecuador remained normal for the season, as in May. The average Aldi price remained at a very good level.

Monthly and annual comparisons

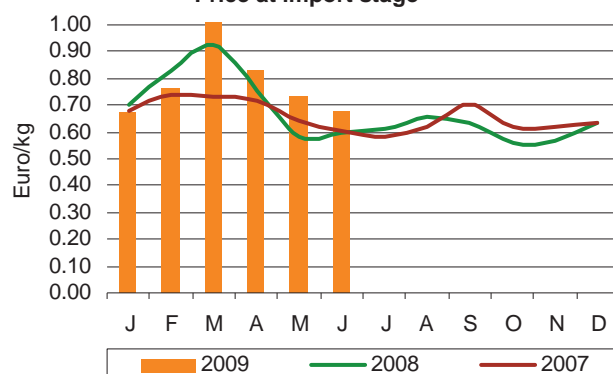
Volumes*	EU reference price**
June 2009 / May 2009	
↗ + 16%	↘ - 8%
June 2009 / June 2008	
↗ + 7%	↗ + 14%

* Arrivals from Africa/West Indies

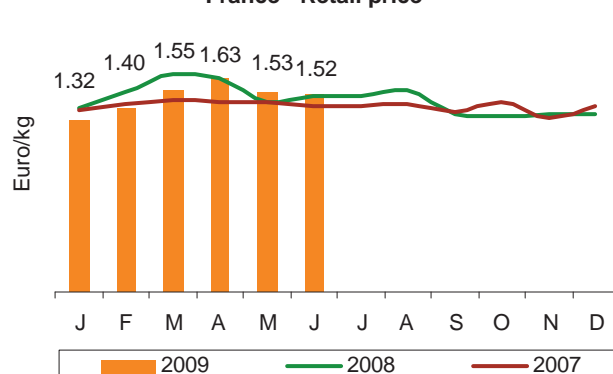
** Green price in Germany (GlobalGap)

French banana market — Indicators

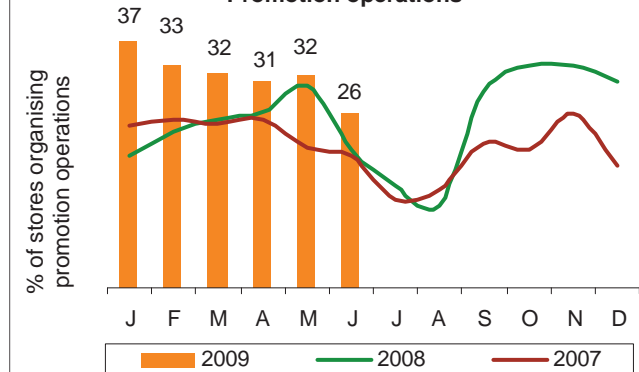
Price at import stage*



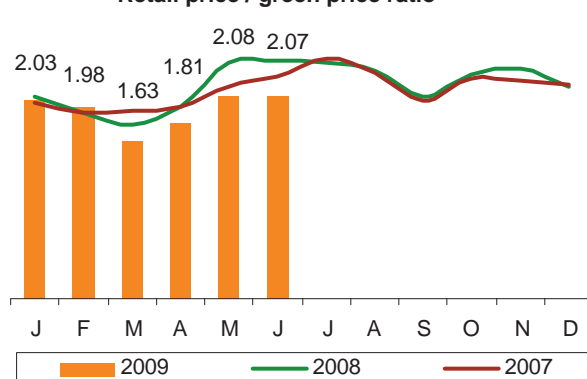
France - Retail price



Promotion operations



Retail price / green price ratio*



* African origin

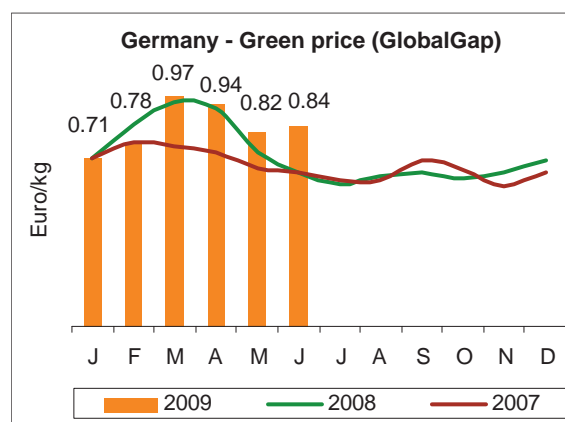
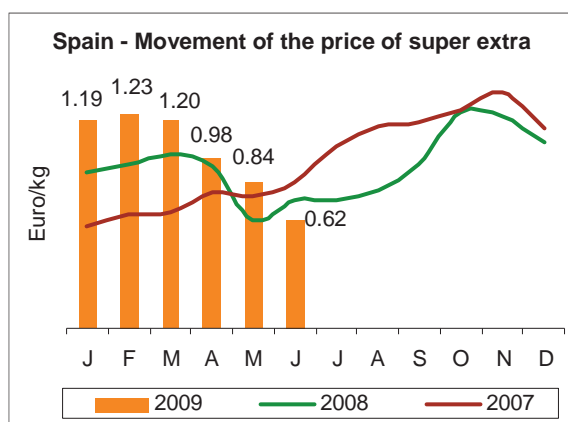
European banana market — Indicators

Main origins in Europe

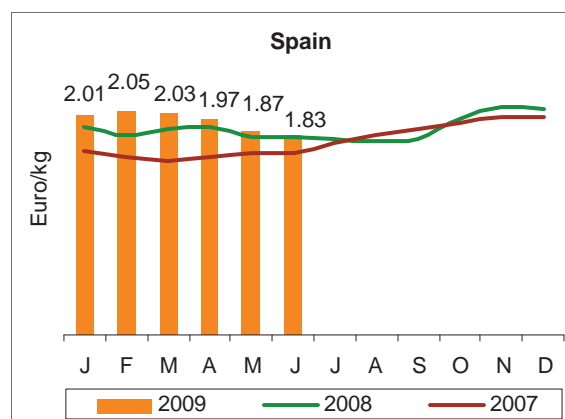
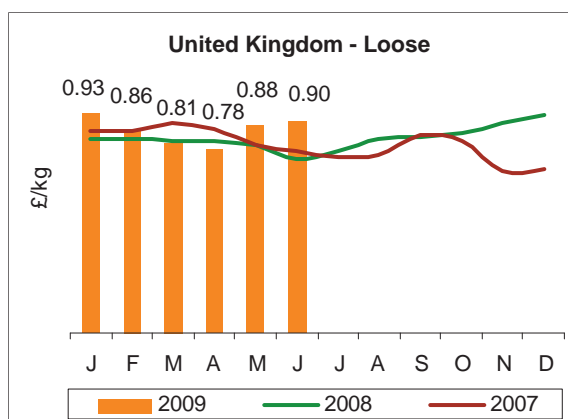
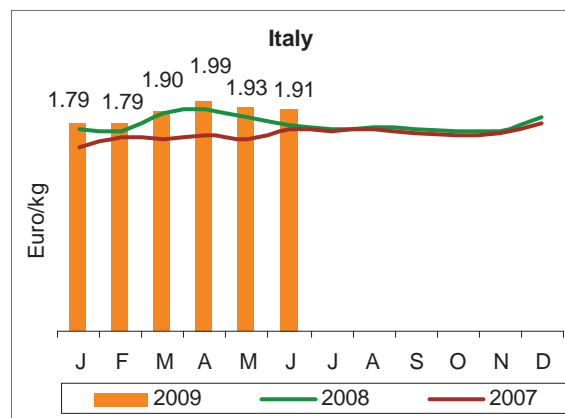
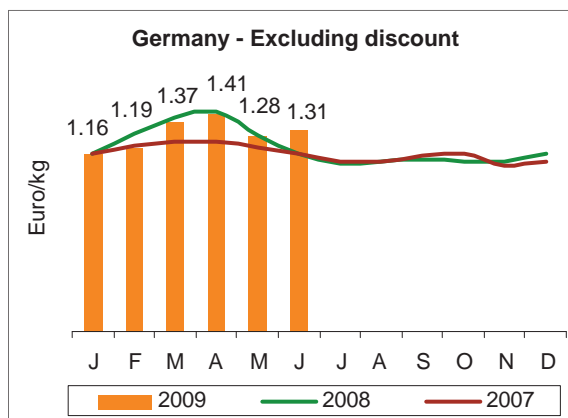
Tonnes	June 2009	Monthly comparisons (%)		Total season 2009	Season comparisons (%)	
		2009/2008	2009/2007		2009/2008	2009/2007
Martinique	15 643	- 13	- 17	107 170	+ 11 274	- 22
Guadeloupe	4 067	+ 5	+ 5	31 116	+ 36	- 1
Canaries	26 641	- 15	+ 4	216 424	- 22	- 7
Côte d'Ivoire	13 212	-	-	98 887	-	-
Cameroon	22 046	+ 27	+ 28	162 105	- 16	+ 12
Ghana	1 798	- 54	- 40	17 160	- 38	- 11

* Excluding containers from January to March

Green price in Europe



Retail price in Europe



Sources: CIRAD, SNM, TW Marketing Consulting



Orange

JUNE 2009

The market remained very difficult, especially for operators handling fruits from the southern hemisphere. The Spanish 'Valencia Late' season was extended and continued to dominate shelf space in supermarkets. Prices remained rock bottom, especially for sizes 7, 8 and 9 that formed most of supply. A few batches of 'Maroc Late' often of erratic quality—were still available at very competitive prices.

In this context, it was very difficult for 'Navel' oranges from South Africa to establish a position on the market. Quantities started to increase solidly in mid-month and were slightly smaller than those of 2008. However, sales remained very slow, especially in France where the first volumes only came on to the market right at the end of the month. In this context, the prices of the first transactions were 15% lower than last year's.

Monthly and annual comparisons

Volumes

Price

June 2009 / May 2009

↘ - 46%

↘ - 21%

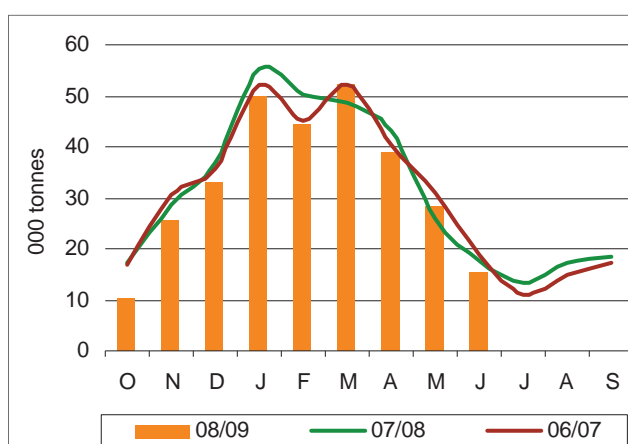
June 2009 / June 2008

↘ - 13%

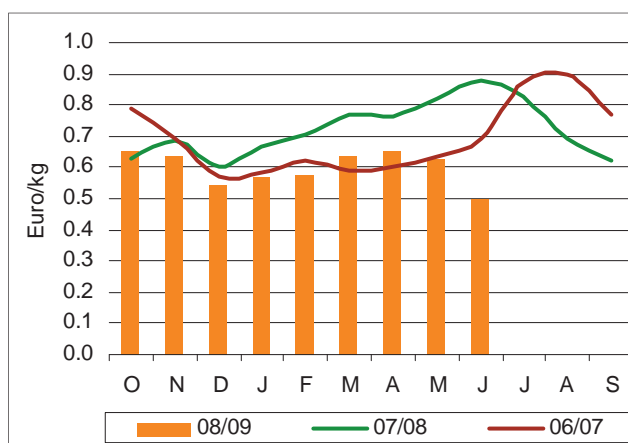
↘ - 43%

Estimated market releases in France

Volumes

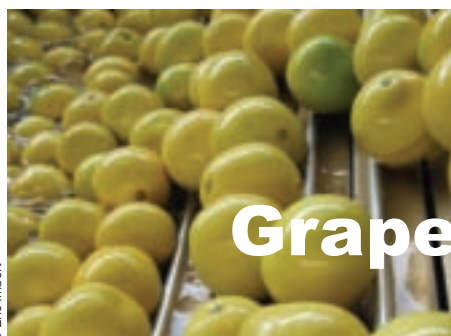


Price at import stage



Estimated market releases in France by origin

Tonnes	June 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Spain	12 850	- 1	- 13	249 026	- 2	- 9
Morocco	797	- 24	- 55	8 792	- 33	+ 52
South Africa	1 635	+ 70	+ 92	1 635	+ 74	+ 83
Total	15 282	- 13	- 18	259 453	- 4	- 7



Grapefruit

© Eric Imbert

JUNE 2009

The market was very difficult for lack of demand. However, supply swung back to a distinctly lower level than normal. Deliveries from Argentina tailed off very early and were limited. In addition, arrivals from South Africa returned to a level slightly lower than average. Finally, unlike last year, stocks of goods from northern hemisphere suppliers were marginal.

However, demand, which was already dull in May, slowed further on the major EU markets. In this context, prices continued to fall and were 25% lower than the average at the end of the month.

Monthly and annual comparisons

Volumes

Price

June 2009 / May 2009

↗ + 17%

↘ - 12%

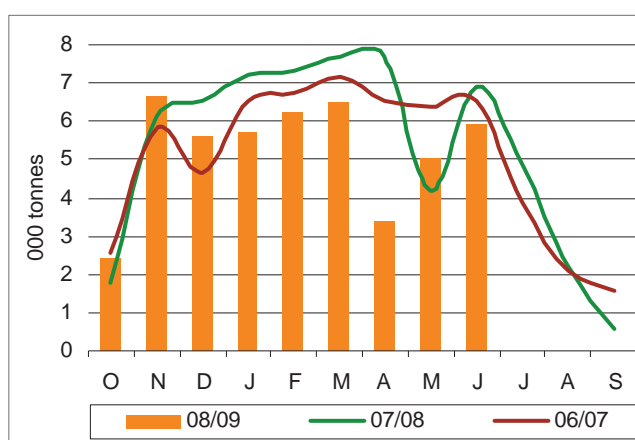
June 2009 / June 2008

↘ - 15%

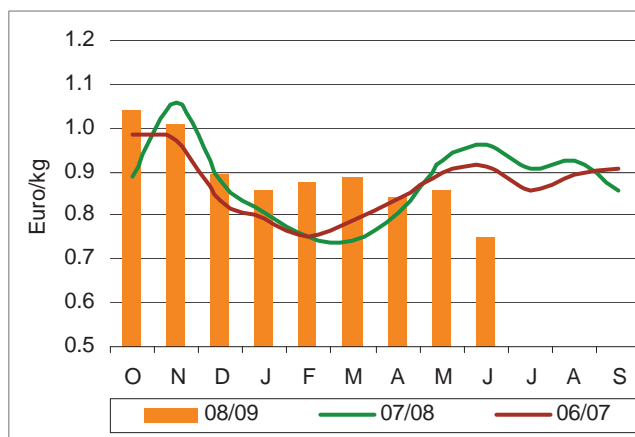
↘ - 22%

Estimated market releases in France

Volumes



Price at import stage



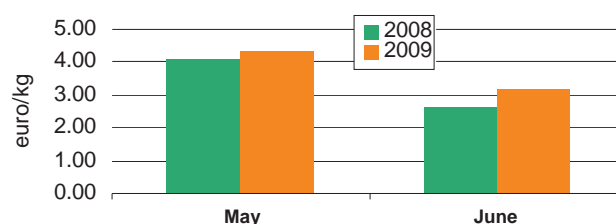
Estimated market releases in France by origin

Tonnes	June 2009	Comparisons (%)		Total season 2008/2009	Season comparisons (%)	
		2009/2008	2009/2007		08-09/07-08	08-09/06-07
Florida	5	- 98	-	27 608	- 26	- 11
Israel	7	- 30	-	7 077	+ 22	+ 2
Argentina	1 664	- 34	- 7	3 682	+ 19	+ 12
South Africa	4 216	+ 1	- 11	6 745	+ 17	- 10
Total	5 892	- 15	- 10	45 112	- 13	- 8



Litchi

Litchi - Thailand - Average import price on the Dutch market



Source : Pierre Gerbaud

JUNE 2009

The European litchi market was mediocre overall in June. Supply was clearly dominated by Thailand with deliveries in sea containers focused mainly on the Dutch market. The other European markets seemed to receive more irregular supplies. An increase in volumes available and particularly weak demand caused prices to fall gradually.

European litchi supplies were covered mainly by Thailand in June. The Thai season continued with an increase in shipments to Holland, the main destination. The larger quantities ran up against poor demand on the European markets. The overabundance of the season's fruits (especially red fruits and stone fruits) available at attractive prices was a major obstacle to the sale of Thai litchis as these are less sought-after at this time of year and prices are much higher. Poor sales soon led to a decrease in prices aimed at clearing arriving fruits, also causing a worsening of fruit quality and thus speeding up the downward price movement. Price ranges soon broadened, revealing a two-tier market with regard to quality. Low prices were more for stored fruits and for operations aimed specifically at rapid sales.

The maximum prices were more for limited sales of high-quality arriving goods to specialised fruiterers. The market was over-supplied at the end of the month as arrivals were too large for demand; this resulted in a further price decrease at a time when the first arrivals from Israel were said to be imminent.

Supply to the French market was small and sales were difficult. A few batches of fresh litchis on the branch from Thailand and shipped by air were available in the second and third weeks of the month. The high prices asked (EUR8.00 to 9.00 per kg) strongly limited sales and the deliveries soon stopped. Furthermore, slow sales resulted in oxidation of the fruits which thus became unsaleable. They were packed in 7 to 8-kg plastic crates that were not very suitable for

top of the range tropical fruits and this doubtless contributed to sales difficulties experienced by consignees in the general context of the market. In the third week, litchis shipped from Thailand by sea in small quantities that sold at EUR3.50 to 4.00 per kg. The price dipped to EUR3.00 per kg in the following week.

The market in Belgium was supplied with litchis from Mexico in June. Sold at around EUR4.50 per kg at the beginning of the month, they fetched only EUR2.50 to 2.75 per kg in the second fortnight. Here again, an abundance of the season's fruits at attractive prices was bad for litchi. Supply was completed by a few batches from Thailand in the first half of the month. These were sold at EUR3.50 per kg.

Litchi — Import price on the French market — Euros

Weeks 2009	23	24	25	26	June 2009 average	June 2008 average
By sea (kg)						
Thailand	3.00-4.75	2.50-4.00	2.25-4.00	2.00-3.25	2.40-4.00	2.35-2.85



Mango

© Christian Didier

Mango — Weekly arrivals — Estimates in tonnes				
weeks 2009	23	24	25	26
By air				
Mali	50	40	30	20
Burkina Faso	10	10	10	10
Côte d'Ivoire	10	-	-	-
Mexico	-	-	20	40
Senegal	-	-	10	10
By sea				
Brazil	1 000	950	530	600
West Africa*	1 650	660	400	330

*Côte d'Ivoire, Mali, Burkina Faso

JUNE 2009

The poor market for mango seen in May continued in June. Supply was greater than demand, keeping prices at a particularly low level. The gradual decrease in arrivals that should have enhanced a recovery only took place at the end of the month and was less rapid on the French market than in those of northern Europe. The pressure of volumes of fruits of very uneven quality, measured demand and competition from the season's fruits weighed strongly on selling conditions. Market cleansing was only really felt at the end of the month, with a gradual price recovery for good quality fruits.

Although smaller than in June, arrivals remained larger than demand on all European markets. Even though deliveries dwindled they were added to the volumes stored since the second fortnight in May. This clogging of the market was accompanied by strong quality degradation with considerable rapid fungal growth. The end of the export seasons in several Central American supplier countries (Guatemala, Nicaragua and Costa Rica) and the strong decrease in shipments from Brazil resulted in the more rapid clearing of the market in northern Europe, where prices recovered slightly in the second fortnight of June. In contrast, the French market remained over-supplied until the end of the month as arrivals from Côte d'Ivoire continued, with increasingly fragile fruits confined to the narrow national market. The qualitative disparity between fruits soon made it impossible to ship to export markets and this accelerated the 'poor sales – quality degradation – falling prices'

cycle. Mango also faced strong competition from the season's fruits of satisfactory quality available in large quantities and also cheap this year. Transfer of consumption hit imported produce strongly and especially mango. In this context, selling prices of fruits from Mali and Burkina Faso, whose high quality held, often suffered from the excessive volumes of mediocre fruits from Côte d'Ivoire. However, they did recover slightly at the end of the month while the stocks of fruits from Côte d'Ivoire were cleared.

The market for mango shipped by air remained very chaotic in the first half of June, with on the one hand numerous clearance sales of stocks of worsening quality (overripeness and fungal attacks) sold at open prices, and on the other arriving fruits of satisfactory quality whose prices recovered slowly. The end of the shipments from Côte d'Ivoire and a reduction in those from Mali eased commercial pressure and

opened the way to price recovery. Small demand and also inadequate colour and sometimes ripeness of the fruits received were clearly unfavourable for recovery. In the second half of the month, the market became clearer, with smaller volumes. Given the mediocre quality of the fruits shipped by sea, some buyers switched to those arriving by air; these were more expensive but of higher quality. The Mexican export season also started in the second half of the month, with a rapid increase in supply and with the fruits selling at distinctly higher prices than those from other sources. The variable quality of the first batches from Senegal during the same period made it impossible to obtain high prices and the latter fell rapidly and approached those of fruits from the other West African sources. Supply was completed by a few batches of 'Kent' and then 'Keitt' from the Dominican Republic, selling at between EUR3.50 and 3.80 per kg.

Mango — Import prices on the French market — Euros							
Weeks 2009		23	24	25	26	June 2009 average	June 2008 average
By air (kg)							
Mali	Amélie	2.20-2.30	2.30-2.50	-	-	2.25-2.40	2.35-2.40
Mali	Valencia	2.50-3.00	2.00-3.00	-	-	2.25-3.00	2.00-2.50
Mali	Kent	2.50-3.00	2.00-3.00	2.80-3.20	2.50-3.50	2.45-3.15	2.30-3.05
Burkina Faso	Kent	3.00	-	2.50-3.00	2.80-3.00	2.75-3.00	2.15-2.85
Côte d'Ivoire	Kent	2.00-4.00	2.00-4.00	3.50	-	2.50-3.80	2.90-3.50
Mexico	Kent	-	4.50-5.00	4.50-5.00	5.00	4.65-5.00	-
Senegal	Kent	-	-	3.50	2.80-3.50	3.15-3.50	3.90-4.00
By sea (box)							
Brazil	Tommy Atkins	2.50-3.50	2.25-3.25	2.50-3.50	-	2.40-3.40	-
Puerto Rico	Keitt	-	3.00	3.50-4.00	3.50-4.00	3.30-3.65	-
Mali	Kent/Keitt	3.00-4.00	2.50-4.00	3.50-4.00	3.00-4.50	3.00-4.10	3.60-4.25
Côte d'Ivoire	Kent	3.00-4.00	2.00-3.00	2.00-4.00	3.00-4.50	2.50-3.85	3.60-4.50



Pineapple

© Denis Loelliet

Pineapple — Import price		
Euros	Min	Max
By air (kg)		
Smooth Cayenne	1.60	1.85
Victoria	2.50	3.80
By sea (box)		
Smooth Cayenne	5.00	7.00
Sweet	4.50	7.00

JUNE 2009

The pineapple market worsened gradually through June. Week after week, the supply of 'Sweet' from Latin American sources—especially Costa Rica—increased while demand continued to decrease. In contrast, supply of pineapple shipped by air was very small, but without an increase in prices or more fluid sales. The 'Victoria' market changed little in comparison with the situation in May. Lack of interest in the fruit was aggravated by the supply of seasonal fruits which considerably hindered sales of small exotics.

Maintaining the trend that began at the end of May, supply of 'Sweet' from Latin American sources increased throughout the month. The operators questioned said that this strong increase was explained by the natural flowering phenomenon. Shipments to the European markets were thus 50% greater, or even more, than those expected normally. In the first two weeks, the various promotion operations and a price decrease maintained a degree of fluidity in sales. Pineapples sold in supermarket special offers were thus as cheap as EUR0.89 each! After the first fortnight, the supply of 'Sweet' was not only large but also strongly unbalanced, with a large proportion of large fruits (5, 6 and 7) for which there was no demand. As a result, sales were less smooth, especially to export markets as prices were too low. It is also noted that major brands such as Del Monte and Fyffes were selling fruit at

very low prices (EUR5.00 per box and sometimes less) at the end of the month. This was not good news for sales of other brands. Finally, there were also some quality concerns with rapid ripening of fruits and limited storage periods and these increased the pressure on sales.

The situation was no better on the 'Smooth Cayenne' market. However, supply was particularly small and so a greater fall in prices was avoided even though operators reported very small sales. Most of these fruits were sold on the French market as there was no demand on export markets.

Only very small quantities of fruits were shipped by air throughout the month. The market was slow and several importers chose to reduce their shipments in the second week in order to stimulate demand. There was indeed a slight improvement but

it did not last long because demand was slow. It is also noted that no fruits from Benin were available from the start of the second week and operators considered those from Ghana to be too green. Only the batches from Cameroon and Côte d'Ivoire seemed to be a little more regular with regard to both supply and quality. The demand and quality of 'Sugarloaf' pineapples from Benin dipped slightly, with the fruits selling at between EUR1.90 and 2.00 per kg.

Sales were limited and the situation was more tense on the 'Victoria' pineapple market. The very low prices of seasonal fruits resulted in serious problems in sales of 'Victoria', available in limited quantities. Supplies by air from Mauritius and Réunion dwindled more and more while those arriving by sea from Côte d'Ivoire stopped in the last week of the month.

Pineapple — Import prices on the French market — Main origins — Euros					
Weeks 2009		23	24	25	26
By air (kg)					
Smooth Cayenne	Benin	1.80-1.85	1.80-1.85	-	-
	Cameroon	1.80-1.85	1.80-1.85	1.65-1.80	1.60-1.80
	Ghana	1.65-1.80	1.65-1.80	1.65-1.70	1.65-1.80
	Côte d'Ivoire	1.80-1.85	1.80-1.85	1.65-1.75	1.60-1.80
Victoria	Côte d'Ivoire	2.50	2.50	2.50	-
	Réunion	3.00-3.80	3.00-3.80	3.00-3.30	3.00-3.30
	Mauritius	3.00-3.30	3.00-3.30	3.00-3.30	3.00-3.30
By sea (box)					
Smooth Cayenne	Côte d'Ivoire	5.00-6.50	5.00-6.50	5.50-7.00	5.00-6.00
Sweet	Côte d'Ivoire	5.50-7.00	5.50-7.00	5.50-7.00	5.50-7.00
	Cameroon	5.50-7.00	5.50-7.00	5.50-7.00	5.50-7.00
	Ghana	5.50-7.00	5.50-7.00	5.50-7.00	5.50-7.00
	Costa Rica	5.00-6.00	5.00-6.00	4.50-6.00	4.50-5.50



Sea freight

JUNE 2009

The juxtaposition in the performance of the reefer charter market between the first six months of 2008 and the corresponding period in 2009 could hardly be more dramatic. At 49c/cbft the TCE average for H1 2009 is the lowest in living memory and less than half the record 100c/cbft achieved 12 months ago. The average yield to owners will be even lower as this TCE figure does not take lay-by into account.

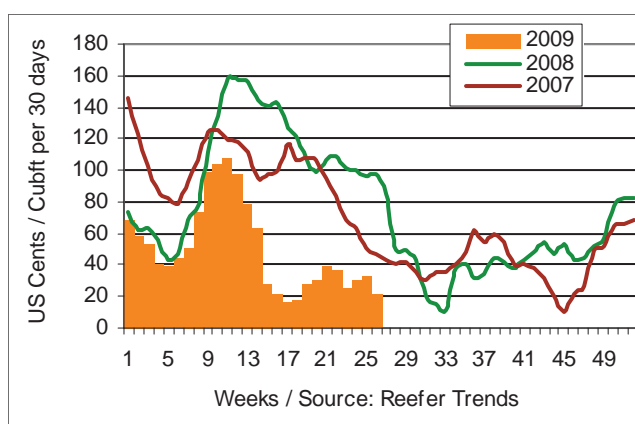
Last year's figure was achieved with a fully employed reefer fleet: this year more than 40 vessels have disappeared into full or commercial lay up while a further estimated 19 vessels (8m cbft) have been demolished. Last year's figure was achieved despite bunker costs being at record highs – this year bunkers have been approximately 40% less expensive. Far from being recession-proof the reefer business has suffered some high-profile casualties since the start of the downturn: following the dissolution of Sorus, vertically-integrated Russian multi-national Sunway has been declared bankrupt. Eastwind Maritime has suffered the same fate albeit not as a direct result of its reefer division. Of all the reefer owners and operators only NYKCool appears to have emerged relatively unscathed. Seatrade has found itself over-exposed in a Spot market that has seen a contraction in the supply of bananas, fruit, poultry and squid volumes. Star's bullet-proof strategy – the reefer fleet's most modern vessels out on long-term charters – has been winged by the failure of Sunway. Green Reefers has had to secure a US\$27m lifeline from shareholders for 12 months while the Laskaridis fleet has been under-employed. Although the container lines have continued to erode the specialised reefers' market share of global reefer trade they have come under even greater financial pressure in the downturn. Even when global economies stabilize, Maersk Line parent AP Moeller says that it does not intend to order new ships as it wishes to develop into more profitable areas. CSAV has had to re-finance while profitability has fallen significantly for CMA CGM, OOCL, NYK and NOL. Investment in the construction of reefer boxes by the lines has come to a virtual standstill. In this context there have been bright spots for the specialised reefer: the mode continues to dominate grape exports from Chile to the US and steri-citrus exports from South Africa - and at rate levels similar to those achieved last year. The introduction of the Ecubex banana ser-

Monthly spot average

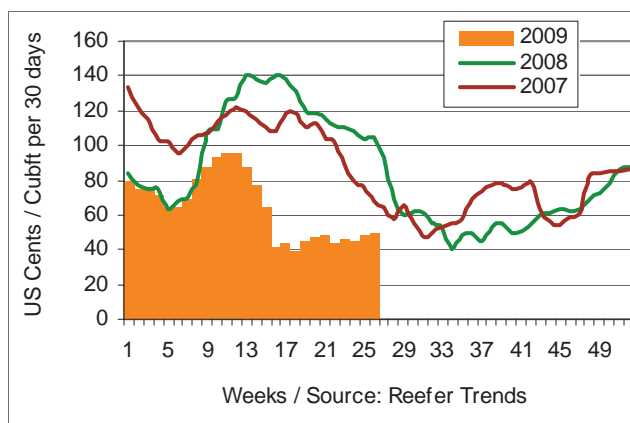
US\$/cents/cubic foot x 30 days	Large reefers	Small reefers
June 2009	24	47
June 2008	94	101
June 2007	59	71

Weekly market movement

Large reefers (450 000 cuft)



Small reefers (330 000 cuft)



vice from Guayaquil into N Cont has not been the unqualified success anticipated by Maersk – were it not for the support of Reybanpac the 'dedicated' banana service would be shipping out an average of fewer than 100 reefer containers per week.

Web: www.reefer trends.com
Tel: +44 (0) 1494 875550
Email: info@reefer trends.com

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